

AMENDED IN ASSEMBLY SEPTEMBER 3, 2009

AMENDED IN ASSEMBLY AUGUST 31, 2009

AMENDED IN SENATE MAY 18, 2009

AMENDED IN SENATE MAY 11, 2009

AMENDED IN SENATE MAY 4, 2009

SENATE BILL

No. 517

Introduced by Senator Florez

February 26, 2009

An act to amend Section 19601.01 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 517, as amended, Florez. Horse racing: thoroughbred associations or fairs: wager deductions.

Existing law authorizes a thoroughbred association or fair, at the joint request of the association or fair and the horsemen's organization and subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool, for any type of wager, an amount of 10% to 25%, inclusive, of the total amount handled for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would instead authorize the deduction of an amount in that range upon the filing of a specified written notice with, and approval by, the board specifying the percentage to be deducted and would provide that the percentage is to remain in effect until the filing of a subsequent notice with, and approval by, the board, unless otherwise specified in the notice. The bill would authorize certain distributions

as prescribed in the Horse Racing Law to be modified or redirected upon the filing with, and approval by, the board of a written notice, as specified. The bill would require a notice to modify or redirect a distribution to be accompanied by a certain report of receipts and expenditures, and would require the filing of a report accounting for all receipts and expenditures in any of the affected funds with the board and certain legislative committees within one year of initial approval of a percentage deduction notice and annually thereafter if approval is extended by the board. *The bill would require the consent of affected organizations and entities for a distribution modification or redirection and for an extension of a distribution modification or redirection, as provided.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19601.01 of the Business and Professions
2 Code is amended to read:
3 19601.01. (a) Notwithstanding any other provision of law, a
4 thoroughbred association or fair, upon the filing of a written notice
5 with, and approval by, the board specifying the percentage to be
6 deducted, may deduct from the total amount handled in the
7 parimutuel pool for any type of wager an amount of not less than
8 10 percent nor more than 25 percent. The written notice shall
9 include the written agreement of the thoroughbred association or
10 fair and the horsemen's organization for the meeting of the
11 thoroughbred association or fair accepting the wager. The
12 established percentage to be deducted shall remain in effect until
13 the filing of a subsequent notice with, and approval by, the board,
14 unless otherwise specified in the notice. The amount deducted
15 shall be distributed as prescribed in this chapter. However, any
16 such distribution, except for amounts payable for the support of
17 the board and the equine drug testing program pursuant to
18 subdivision (a) of Section 19616.51, may be modified or redirected
19 upon the filing with, and approval by, the board of a written notice
20 that is authorized and signed by the organization representing each
21 entity affected by the modification or redirection, including, but

1 not limited to, horsemen's organizations, racing associations, and
2 fairs. *If the proposed distribution modification or redirection*
3 *increases or would increase the financial burden of any other*
4 *organization or entity, the consent of that organization or entity*
5 *shall also be obtained. This organization or entity consent*
6 *provision for a distribution modification or redirection applies*
7 *even if the percentage deduction is not increased pursuant to this*
8 *subdivision.*

9 (b) A notice filed with the board to modify or redirect a
10 distribution pursuant to subdivision (a) shall be accompanied by
11 a report detailing all receipts and expenditures over the two prior
12 fiscal years of the funds and accounts proposed to be affected by
13 the notice.

14 (c) Initial approval of a distribution modification or redirection
15 pursuant to this section shall be limited to a one-year period. An
16 approval may be extended in subsequent years contingent upon
17 annual receipt of the report described in subdivision (e) and a
18 determination by the board that the extension is in the economic
19 interest of thoroughbred racing. *However, in order for an initial*
20 *approval of a distribution modification or redirection to be*
21 *extended beyond the first year, the consent of each organization*
22 *and entity that gave its consent to that initial distribution*
23 *modification or redirection shall also be obtained for the extension.*
24 *In the absence of the consent of all of these organizations and*
25 *entities, the board shall not approve the extension.*

26 (d) A thoroughbred association or fair whose written notice for
27 a percentage deduction pursuant to subdivision (a) has been
28 approved by the board shall provide subsequent quarterly reports
29 of receipts and expenditures of the affected funds if requested by
30 the board.

31 (e) A thoroughbred association or fair whose written notice for
32 a percentage deduction pursuant to subdivision (a) has been
33 approved by the board shall file a report with the board and the
34 respective fiscal committees and Committees on Governmental
35 Organization of the Senate and the Assembly accounting for all
36 receipts and expenditures in any of the affected funds. This report
37 shall be filed within one year of initial board approval and annually
38 thereafter if the approval is extended by the board.

39 SEC. 2. This act is an urgency statute necessary for the
40 immediate preservation of the public peace, health, or safety within

1 the meaning of Article IV of the Constitution and shall go into
2 immediate effect. The facts constituting the necessity are:
3 In order to allow greater flexibility to direct funds generated by
4 wagering deductions to areas with the greatest economic benefit
5 for the horse racing industry and to ensure the economic future
6 and stability of the horse racing industry, it is necessary that this
7 act take effect immediately.

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